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ABSTRACT

The relationship between the concepts "full employment" and "sustainable livelihoods" was examined in the context of international efforts to promote economic development and eradicate poverty worldwide. After a comparison of the very different economic problems facing developing nations and the nations of Eastern Europe and Central Asia, it was proposed that the concept "sustainable livelihood" be viewed inclusively rather than exclusively and be applied to all forms of making a living satisfying the following conditions: be pursuable independently without compromising personal security; remain reasonably stable over time; be mutually beneficial to individuals and their immediate social groupings; and be compatible with the physical environment. Intergovernmental perspectives and current research on sustainable livelihoods were reviewed, and an approach to public policy was proposed that shifts the focus from labor-intensive growth to sustainable livelihood-intensive change by including explicit consideration for the following in all economic policy decisions: natural resources, redistribution, prices, health, abolishment of restrictions, and safety nets. A working definition of the term "sustainable livelihoods" was proposed that integrates all economic activities now defined as relevant to employment under the International Labor Organization definition with the social dimensions of sustainability and equity. (Contains 38 endnotes.) (MN)

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SUSTAINABLE LIVELIHOODS AND EMPLOYMENT: HOW ARE THESE CONCEPTS RELATED? [1]

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1. INTRODUCTION:

A. Background

The United Nations system has, in the last six years been detecting important new signals through various social 'radar' tracking devices, which include of course the various deliberative mechanisms of the General Assembly, as well as initiatives in regional and country offices of the UN funds and programmes, and increasingly, the INTERNET. These signals have been quite intense, and have reflected great concern over a cluster of major social problems facing governments as a function of burgeoning poverty and stubborn inequities, globalization, rapid technological change, and the insistent demands of participatory democracy. One result has been the proliferation of world conferences on major social issues: Jomtien, Rio, Cairo, and more recently the Copenhagen World Summit on Social Development, and the Fourth World Conference on Women in Beijing have contributed to a plethora of sweeping agendas for social change.

As part of a broad mechanism for supporting a coordinated, rational followup to all of these global events, several InterAgency Task Forces (IATFs) were set up to coordinate followup. One of these is the International Labour Organization-chaired Task Force on Full Employment and Sustainable Livelihoods, which centers around the role of employment and livelihoods in anti-poverty strategies. According to the Terms of Reference of this Task Force, its mandate derives in large part from Commitment 3 of the Copenhagen Declaration, which states that governments accept responsibility for promoting full employment, as well as the attainment of **sustainable livelihoods** for all (consistent with the earlier language of the Rio Declaration) through productive employment and work[2].

An important contribution of the Social Summit was its emphasis on the interrelatedness of the three thematic problems to which it was addressed (poverty, unemployment and social exclusion). These interdependencies are clarified in the second paragraph of the Introduction to the WSSD Programme of Action, which imply that employment and social integration are necessary conditions for poverty eradication policy[3].

Less clearly outlined at Copenhagen however were the ways in which full employment and sustainable livelihoods were related to each other and to poverty eradication especially in the least developed countries. The ILO has addressed the issues of international definitions of 'employment', 'unemployment' and 'underemployment' at length and broadly in its statistical publications [4]. Standardization however of 'sustainable livelihoods' as a concept has received much less attention despite repeated use of the terminology in the Rio (UNCED) and WSSD documentation. Although 'sustainable livelihoods' are viewed as distinct from 'employment' in the minds of some development practitioners, the two are overtly tied together in Commitment 3 of the WSSD Declaration, as well as in the title of the InterAgency Task Force itself, thus begging

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the question as to how they should be redefined and related.

Consequently, this paper elaborates the relationships between these concepts by:

- **presenting a logic of sustainable livelihoods which can be harmonized with existing definitions of 'employment' and other key labour market concepts, particularly in light of global concerns raised by governments/NGOs at Copenhagen, and**

- **proposing a preliminary framework for bringing these two concepts together in ways that can i) reduce confusion surrounding the use of terms, ii) and guide future, and more coordinated UN systems work towards promoting sustainable livelihoods.**

B. A logic of sustainable livelihoods

Statements of concern: Social Summit documentation (including also statements made by governments, NGOs and intergovernmental organizations) provided unequivocal evidence of the importance of full employment and sustainable livelihoods for successful social development. Yet there seemed to be widespread frustration with the shortcomings of current policies in achieving these objectives.

Several countries underscored their problems of human resources development in their statements at Copenhagen[5], in terms either of their own strategies, or as a global and shared set of issues. Two interrelated dimensions of this generalized concern seemed particularly noticeable: i) lack of sustainability and uncertainties associated with opportunities for employment and improved livelihoods, associated with ii) the accelerated and disconcerting pace of technological and social change.

Sustainability as a principle reemerged strongly at Copenhagen in several ways. The role of policy in actively promoting sustainability is identified in Chapter I, of the Programme of Action where checks and balances are acknowledged as indispensable to the processes of free markets:

> 'economic activities, through which individuals express their initiative and creativity and which enhance the wealth of communities, are a fundamental basis for social progress. But social progress will not be realized simply through..free interaction of market forces. Public policies are necessary to correct market failures, to complement market mechanisms, to maintain social stability, and to create a national and international economic environment that promotes sustainable growth on a global scale.'[6]

This critical alliance of private entrepreneurial energies and public policy seems to be at the heart of the kind of sustainable, people-centered social and economic progress towards which the Copenhagen commitments are targeted. The perception is strong however that few countries seem to have found an appropriate mix. Lasting combinations are difficult to achieve of interventions and facilitatory conditions for **sustainable** development (as contrasted with unsustainable 'development as usual') which offer durable, equitable opportunities for participation by <u>all</u> citizens. Although no uniform prescription is possible or desirable, for such development to be both people-centered and sustainable, it should satisfy nationally defined criteria indicating acceptable balances between economics, equity, and ecology.

Yet the capacity is questioned of countries to redress current imbalances

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and inequities in these areas. In addition to concerns about the availability of adequate employment opportunities flowing from current or achievable rates of growth, global capacities to healthily sustain such growth are also deeply doubted. One of the explicit features of the enabling environment outlined in Chapter I of the WSSD Programme of Action is 'protection and conservation of the natural environment in the context of people centred sustainable development'. As underscored in paragraph 10 (c) of the Programme of Action, **current production and consumption patterns particularly in industrialized countries are increasingly being questioned as unsustainable**.

Echoing these concerns, the WEDO statement at the Summit called for

> 'building communities, not markets alone. We are all in a dangerous and fragile transition to an integrated, global market economy dominated by resourcism -- an ethic based on exploiting the planet's natural and human wealth for uncontrolled growth--of more and more and more. Without limits.'

Singh[7] and others have explored the policy implications of new more sustainable approaches to economic activity generation both within Canada as well as in the less industrialized world. As Hawken[8] has noted, the challenge is '**to create an enduring society, [with] a system of commerce and production where each and every act is inherently sustainable and restorative'.**

Interacting with the issues of sustainability are those of technological change and globalization, and their presumed effects on the shape and character of human work. Several recent analyses have provided broad statistical/policy information on these new shifts in context and methods for work[9],[10],[11],[12],[13],[14]. Although differences of opinion exist as to cause-and-effect relationships, there seems to be growing unease with the intractability of public uncertainty regarding job availability and tenure. Rapid advances in electronics in all industrial sectors, and relatively unlimited traffic in information and resources are associated with this uncertainty in the public mind.

The words 'sea change' have been used repeatedly in press accounts of trends in the **northern** workplace[15],[16]. The UNCTAD Report on Trade and Development (1995 p 181) states (in reference largely to industrialized countries) that

> 'restructuring has caused a large-scale shedding of labour.....employment has stagnated or declined in sectors with higher than average productivity growth... there has been consequently a destruction rather than creation of jobs'.

OECD Labour Ministers have reacted with strong statements of warning in the face of persistently high unemployment. Minister Blum of Germany called unemployment figures an 'alarm signal of the highest urgency' and called for a coalition of efforts involving unions, corporations and government towards immediate job creation. Robert Reich of the United States called the decision 'stunning' by AT&T to announce on the first business day of 1996 the permanent laying off of 40,000 workers. Organizational 'downsizing' has become 'the norm rather than an exception' in the US[17] which due to its lower rate of unemployment, and higher job creation in comparison with most other OECD countries has represented in some ways a model for industrialized nations.

In the **south**, under- and unemployment are widespread, and major proportions of 'work' activities in the lives of most people (and

especially women) may take place in ways not easily captured in national accounts. In spite of the prevalence of various kinds of voluntary and involuntary part-time work, the ILO reported in 1992 that there is no international statistical definition of part-time work[18] . The terms 'work' and even 'jobs' when applied outside the modern sector, describe less homogeneous sets of tasks. Even the term 'employment' is considered by some[19] to be less relevant especially to African situations, where more than five million young people enter the labour force each year with little hope of adequate jobs[20], and where it is doubtful

'whether women's economic and social contributions can be recognized and analyzed if mainline economics uses a framework which dismisses women's mode of engaging in business, service and work'[21]

The 'new' poor in Eastern Europe and Central Asia, often highly educated and work-experienced, face a paradox of declining job opportunities from restructuring of former large publicly owned enterprises, and slow influx of private investments into new ventures. In Estonia, for example, where labour is considered very cost-competitive compared with other countries in the Baltic region, and unemployment is not considered a major social problem, hidden unemployment (those unemployed not reporting to labour offices) is persistently high, and participation in the illegal or grey economy is growing[22]. The ILO notes[23] the rise of the 'black economy' throughout the subregion as a result of low or non-existent unemployment benefits, inducing many not to register as unemployed, but simply to move into lucrative but often clandestine activities. In Moldova, the majority of the population is now estimated to be living at a standard below the official poverty line[24].

Effective problem diagnosis however is still hampered by lack of knowledge about livelihoods patterns in many countries despite many years of capacity development aid. Better labour market information is crucial, yet the complexities of labour markets, never easily captured in the quantitative snapshots of household and establishment surveys, are proving more difficult to conceptualize and interpret. Furthermore, applicability of traditional labour market terms to work activities in the developing world has been questioned for some time, in Asia[25], and in Africa[26]. Questions moreover have been raised as to the ability of statistical systems to provide cohesive information for broad policy purposes on employment and availability of jobs[27].

As the UNDP Administrator noted at the ILO 75th Anniversary Conference,

'we must reopen the door to innovative, creative thinking on our fundamental concepts underlying what has been called 'labour market behaviour'. This means reexamining time-honoured precepts such as 'employment', 'occupation' and 'livelihood'.

Indeed the final section (E) of Chapter III of the WSSD Programme of Action calls for broader recognition and understanding of work and employment, specifically unremunerated work. Moreover, representation from the NGO community called for

' redefinition of productive employment and the meaning of work, [and] for count[ing] and valu[ing] unpaid work, the majority of which is currently done by women.' (WEDO Statement at Copenhagen)

A Proposed Solution: From the public policy perspective, solutions to

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these problems, in the context of shrinking natural resource bases, lie of necessity within each country situation, and no international template is proposed. Yet livelihoods, in the sense of ways of 'making a living' are sought by most, if not all people in both north and south, and while opportunities to pursue them peaceably and with relative freedom vary considerably, the Social Summit represents a consensus as to the universality of need for more equitable access to such opportunities.

What is proposed is an inclusive, rather than exclusive concept of 'sustainable livelihood' that can be potentially applied to <u>any form of making a living</u> which can be pursued independently i) without compromising personal security, ii) is reasonably stable across significant periods of time (without of course any guarantees), iii) is mutually beneficial to individuals and their immediate social groupings, as well as to the consumers of their products/services, and iv) is not incompatible with the physical environment.

According to this proposition, the term 'sustainable livelihoods' represents a broad aspiration of people as well as an empirical description of their contributory activities. Employment is a subset of sustainable livelihoods, and not <u>vice versa</u>. Livelihoods are the means, activities and entitlements by which people make a living, and are made more sustainable by people's capacities to access options and resources and use them so as to benefit their own social groupings, and not to foreclose options for others to make a living, either now or in the future. While sustainable livelihoods have a special significance in relation to poverty, particularly following the Copenhagen Summit, an important element in this proposition is that **the search for more sustainable livelihoods is not confined just to those living in poverty.**

This approach takes on specific and operational meaning mainly at the household or community levels in the biophysical and socio-economic contexts in which they are located. Typically, a sustainable livelihood system will be adaptable and facilitative towards human resourcefulness. To understand these systems, people's coping and adaptive strategies are important entry points which can be understood by using participatory methods. A sustainable livelihood system can only be understood and promoted if the matrix of interactions between policy, science and technology and investment/finance is approached in an integrated manner and used to augment what local people already do well, i.e. the sustainable aspects of their livelihood mixes.

Implications for education systems are important also, since educating for 'jobs' (as an explicit goal for parents justifying educational investments in their children) is increasingly challenged by the need to build human capacity for 'employability' as well as for adaptive and 'coping' livelihood strategies in a fast-moving and complicated world.

2. GLOBAL ISSUES IN THE CASE FOR SUSTAINABLE LIVELIHOODS

Despite the ultimate priority of the local level as the locus of livelihood strategies, the importance of the relevant **global context** cannot be overemphasized. In the preamble to the Copenhagen Declaration (paragraphs 13 and 14), the 'glaring contradiction' is underscored of growing international imbalances resulting from expanding prosperity for

some in face of growing poverty for others.

Countries find increasing urgency in the need to manage external factors in ways that are beneficial to local conditions. Successful adaptation to global forces will necessitate policy extension and new forms of strategic alliances across national boundaries. Thus, the paradox is also apparent that while countries recognized at Copenhagen their own national sovereignties in reaching unique solutions voluntarily, they also acknowledged the tangible reality of global forces, accommodating to which will demand extra-national strategies and compacts.

Woodward[28] has documented the importance of understanding and monitoring the possible negative effects of global agreements such as the Uruguay Round on smaller, lower income, and predominantly commodity-dependent countries. Concentrations of foreign direct investments (FDI) on a few nations means the bypassing of most vulnerable countries, further widening income and employment opportunity gaps. In 1992, FDI flows to 47 least developed countries declined by 15%, accounting for less than 1% of total FDI to the developing world[29].

More supportive public policies for sustainable livelihood strategies will require methodical and continued assessment of the impacts of these global forces. The UN system has a unique contribution to make in this search, and earlier global conferences, especially Agenda 21, provide some evidence of consensus early in this decade.

A. Intergovernmental perspectives on sustainable livelihoods

The sustainable livelihoods concept was introduced into Agenda 21 in the context of 'combating poverty' (Chapter 3). Agenda 21 develops a 'programme area' devoted to combating poverty, the objectives of which are to provide all persons 'urgently' with opportunities to 'earn a sustainable livelihood'; and to ...focus on integrated human development policies including income generation, increased local control of resources, local institution-strengthening and capacity building, as well as greater involvement of NGOs.

Suggested activities in this chapter include: developing infrastructure, marketing systems, technology systems, credit systems, and HRD approaches to 'widening the options for resource-poor people'. and 'empowerment (through establishment of new mechanisms) of community organizations and people to enable them to achieve sustainable livelihoods'. Social supporting mechanisms are recommended such as effective primary and maternal health care, improved access to land resources and land ownership (particularly for women) protection of tenants, rehabilitation of degradable resources, access to information, and food security.

Other relevant chapters in Agenda 21 are Chapter 13 on Sustainable Mountain Development, where the concept of alternative livelihoods is introduced also in context of fragile lands, but also specifically regarding 'employment schemes that increase the productive base' (such as crops, livestock, fisheries, beekeeping, and village industries). Chapter 14 on Sustainable Agriculture and Rural Development, also refers to alternative livelihoods in relation to farm and off-farm employment opportunities.

The Social Summit reintroduced livelihoods, in addition to Commitment 3 as already noted above, in Commitment 2 (poverty elimination) through provision of 'employment and livelihood', and in the context of 'identifying the livelihood systems, survival strategies and self-help organizations of people living in poverty and working with such organizations to develop programmes for combating poverty..., and 'human resource development to benefit people living in poverty .. compatible with the long-term improvement of their livelihood.' Areas not traditionally included in 'available data, such as women's unremunerated work and contributions to society, the informal economy and sustainable livelihoods' are specifically identified.

In paragraph 34(b) of the Programme of Action, sustainable livelihoods are related to a need for improvement in employment services, (again implying linkages with the broader ILO concept of 'employment'). The concept of 'alternative livelihoods' is also referenced in paragraph 50(i) in relation to fragile ecosystems.

Overall the relationship between employment and livelihoods is somewhat confusing in WSSD documentation and speeches. On balance however, the concept of "livelihood" appears to subsume both modern sector employment and other kinds of marginal, parallel, part time, informal or new forms of economic or non economic activity. Yet the WSSD documentation still takes a predominantly individual rather than household or community production unit focus, which differs from other usage of the terms in the research and development institutions.

B. Sustainable livelihoods in current research/development

A number of exploratory approaches to designing work and livelihoods for sustainability in poorer countries have been proposed, for example by SIDA, the Institute of Development Studies at the University of Sussex, the International Institute for Sustainable Development in Winnipeg, Canada, and others.

The Swedish Task Force Report[10] on Poverty Reduction, states that:

> 'in industrialized economies, variations in employment have a stronger effect on poverty than any other factor. In the poorest countries, wage employment is a very small fraction of all work. A better concept for analyzing participation in the productive life of the economy is 'livelihoods', a term which covers all forms of activities which ensure survival and enhance living conditions.'

Chambers[11] offers evidence of sustainable livelihood-intensive strategies which stress natural resources management, redistribution of livelihood resources, prices and payments, health, abolishing restrictions and hassle, and promotion of safety nets for poor people in bad times. The term 'livelihood' refers to the means of gaining a living, including access to tangible and intangible assets. Employment can provide a livelihood, but most livelihoods of the poor are based on multiple activities and sources of food, income and security. A sustainable livelihood refers to a living which is adequate for the satisfaction of basic needs, and secure against anticipated shocks and stresses.

Livelihoods, as strategies of the poor are usually diverse and often complex. Individual families complicate their livelihood strategies in order to increase income, reduce vulnerability and improve the quality of their lives. Household livelihood strategies often involve a variety

of different household members/activities like home gardening, exploiting common property resources, share-rearing livestock, family splitting, and stinting which remain largely unseen by professional interviewers and thus are difficult to measure through traditional surveys.

This patchworking of activities applies to most people in the South and increasingly more in the North. These activities are often distributed, with different members of the family seeking and finding different sources of food, fuel, animal fodder, cash and support in different ways in different places at different times of the year. Their living is improvised and sustained through their livelihood capabilities, through tangible assets in the form of stores and resources, and through intangible assets in the form of claims and access.

Thus, Chambers concludes, for many of those living in poverty, livelihood seems to fit better than employment as a concept to capture how poor people live, their realistic priorities, and what can help them, since employment at least in the sense of a stable job, and formal employer/employee relationships, is likely to be more an aspiration than a reality. 'Sustainability' then refers to durability/stability over the long-term, and 'livelihood' to the many activities which make up a living.

Moreover, where economic crisis, technological advancement, and structural adjustment continue to cut urban and/or modern sector jobs, the supply of better trained and experienced labour can be expected to increase. Yet however much those in extreme poverty may seek employment and educate their children in the hope that they will find a secure and remunerative job, for many such a job remains an unreliable prospect. Thus, particularly in the south, most successful livelihoods strategies of the poor will continue to be characterized by adaptive performance, and improvised and versatile reactions in the face of adverse conditions, sudden shocks, and unpredictable change.

The challenge as Chambers sees it is for development to shift in focus from labour intensive growth to sustainable livelihood-intensive change. While labour intensive growth is linked with traditional modern sector employment, a sustainable livelihood intensive strategy goes beyond this kind of employment focus to include explicit consideration of:

- **natural resources**: sustainable management of natural resources, especially common property resources, and equitable access to them for those in poverty.
- **redistribution**: redistribution of private and public livelihood resources to the poor.
- **prices**: marketing, prices and prompt payment for what the poor sell, and terms of trade between what poor people sell and what they buy.
- **health**: accessible health services for prevention of diseases and for prompt and effective treatment of disabling accidents and disease.
- **abolishing restrictions and hassle**: removal of restrictions on livelihood activities otherwise used to hassle and exploit the poor, and
- **safety nets**: for poor people at bad times, and mitigating seasonal stress, enabling them to conserve their livelihood assets.

Other definitions of livelihood are also surfacing, for example Lipton[32] has defined 'livelihood', in terms of an adequate living, which may be

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shared among several people, as

'approximately 200 days a year of work receiving a reward that is at least sufficient to prevent household poverty'.

Davies[33] has done extensive work in Africa on strategic adaptation of those living in poverty to food insecurity. She argues that livelihood 'systems' are the most appropriate unit of analysis, and that public policy can provide important support to adaptive strategies of the poor by improved early warning and monitoring techniques.

Studies by the International Institute for Sustainable Development point out that current resource-intensive production patterns are inherently unsustainable, necessitating a search for new ways of viewing sustainable development as a more cooperative and consultative process. The search for more sustainable employment and livelihoods must be a means whereby 'human beings are able...to lead enriching and fulfilled lives in synchroneity with the natural environment' [34] Building on the work of Chambers and others, they see sustainable livelihoods as:

'concerned with peoples' capacities to generate and maintain their means of living, [and] enhance their well-being and that of future generations'.

This perspective adds the dimension of 'capacity-building' to the earlier definitions, and underscores the importance of the matrix of knowledge, skills and experience that people and communities bring to the fulfillment and enhancement of their livelihoods strategies. Four areas have been identified by IISD for the future as key in promotion of enabling environments for sustainable livelihoods: favourable macro- and microeconomic frameworks, facilitation of local coping and adaptive strategies, appropriate scientific and technological knowledge bases, and strong focus on the small and medium scale business enterprise subsectors[35].

These principles embody an approach to making a living that is independent, non-exploitative, promotes participation in decision-making, emphasizes the quality and creative nature of work, places needs over wants and fosters healthy, mutually beneficial relationships among people and between people and their environments of all kinds.

3. PRELIMINARY WORKING DEFINITIONS

It can be concluded from the above brief recapitulation of existing **intergovernmental** language, as well as key lines of research, that the relationship between sustainable livelihoods and employment is uneasy, but obviously important to governments and NGOs. Existing standard definitions of economic activity currently form the statistical foundations for data-driven employment policies, but do not address the livelihoods concept explicitly[36].

Sustainable livelihoods as a concept therefore should embrace existing employment concepts while widening them to include multiple ('quilted') informal or new forms of economic or non-economic activity. It will be important however for any new definition to be sensitive and responsive to major objections to the term, such as the fear that less protected or desirable work will become exonerated from the labour standard-setting

principles adhered to in ILO conventions.

In light of such concerns, there are **four** fundamental aspects of sustainability and livelihoods, emerging from the WSSD documentation and recent literature, which if better articulated, may be useful in moving towards more effective economic and social progress:

firstly, there must be assurance of **personal security and immediate satisfaction of fundamental livelihood requirements for both women and men**; this principle applies equally to all kinds of work, and all work settings, and at the most elementary level implies meeting of basic standards for example of those in extremes of urban or rural poverty, but covers the spectrum of protective mechanisms through standard-setting and process regulation in industrial establishments, to occupational safety and health specifications for a safe and healthy workplace;

secondly, while no form of livelihood can be ultimately guaranteed, it is important that public policy takes account of, and fosters as far as possible the **durability, persistence and feasibility of continuation** of livelihoods over time;

thirdly, ways of making a living should be **mutually acceptable** and mutually reinforcing among and between relevant social groupings, and contribute overall to the wellbeing of men, women and families, employers, consumers of goods and/or services produced, and broader communities; and

fourthly, livelihood systems (at both individual and group levels such as villages, or large industrial plants) must be **compatible with their proximate as well as global environments.**

Sustainable livelihoods for all through full employment is the ultimate policy goal. Employment (as broadly defined by the ILO) can include a variety of activities within the labour force framework, including most forms of paid and even some unpaid work, consistent with the one-hour criterion. ILO lists examples of situations which fall into, or outside the prevailing definitions of economic activity in the survey manual[37].

Employment therefore can be described as one, but not the only form of making a sustainable living. So, 'sustainable livelihoods' should not be defined as an alternative to employment, or as a concept to describe only the subsistence activities of the very poor. Rather this Note proposes using **sustainable livelihoods** as an umbrella term for all continuous or repetitive work-related activities, -commonly for compensation or reward, but including also unpaid activities- the purpose of which is directly to contribute to perpetuating or improving the quality of life for individuals or their immediate social (e.g. family) or community grouping. Operationalizing this concept will need to reflect country/culture-specific dimensions such as focusing on the individual vs the community, family or household unit, and will require articulating the multiple aspects of sustainability identified above.

Thus, sustainable livelihoods becomes an integrative construct which brings together all economic activities now defined as relevant to 'employment' under the ILO definition, as well as the social dimensions of sustainability and equity. This concept can, if well developed to reflect adequately the country-specific heterogeneity of livelihood types and aspirations, bring a new synthesis to the ecological and economic sides of human activity, while addressing also the central principle of equity.

4. IMPLICATIONS FOR FUTURE ACTIVITY

It is suggested that there are four major implications of the ideas put forward in this paper:

Firstly, the case must be made more strongly, and increasingly backed up by good empirical work, that national strategies to promote employment (in light of the goal of full employment) should continue to recognize explicitly, but more forcefully, the multiple activities that go into making a living, particularly in the poorest communities, and even in the industrialized nations. Here, the experience of the ILO in assisting countries in employment generation (much of it involving other UN actors such as UNDP), as well as other work by the International Financial Institutions and others in both urban and rural informal sectors must be selectively drawn on. UNDP's experience in fostering sustainable livelihoods in five African countries provides much useful practical guidance for the future, as do the parallel initiatives by the World Bank and others in microfinancing for small and medium size enterprises.

Special focus should be accorded to fleshing out those activities not currently captured in the Systems of National Accounts, and where possible, strengthening efficient and low-cost application of data collection and analysis methodologies. From the perspective of more inclusive labour market and employment policies, informal sector characteristics (survey data, classifications) should become at least co-equal with modern sector establishment and occupational information priorities, **if not in some countries be given precedence.**

Special efforts should be initiated to strengthen and support extension of existing mechanisms for worker protection and basic labour standards **beyond the modern sector**. Research should be supported by international agencies as well as national governments on examining more thoroughly the impacts of globalization on national employment policies and strategies, with particular emphasis on the poorer communities, and on those newly disadvantaged by the negative effects of global and technological change. Research should also be encouraged to focus on improved survey and classification techniques for examination of activities which constitute the major proportion of 'work' in the informal and non-wage labour sectors, especially in poorer communities. Implications should be elaborated for accommodating in employment/livelihood policy agendas not only employment for the individual, but livelihood systems improvement for the household, family or broader social unit.

Secondly, the complex, intersectoral linkages must be more clearly articulated in practical ways between education, training, health, employment and livelihoods strategies (in the context of labour standards). As Brazil noted in its Summit statement at Copenhagen:

> 'the expansion of productive employment has both a global magnitude and local features. At the same time, the adoption of new forms of production and new technologies requires parallel changes in the labor market, and solid, basic education, as well as thorough changes in forms of worker protection to make labor relations more flexible'.

The case for more integrated human resources development strategies, and several country examples of the application of the approach, have been put forward in the most recent Report of the Secretary-General on Human Resources Development[38]. HRD supply systems, particularly formal

education at the basic levels, are designed primarily to prepare people for further education and for modern sector 'jobs' in contradiction to clear empirical evidence which shows that small fractions of primary school intake go on to secondary, and much smaller fractions to higher education and employment in the formal sector. The linkage between education and sustainable livelihoods (as defined above) therefore becomes a central issue in social development and poverty eradication strategies. Close articulation between the Social Summit followup activities of all of the UN system will also be critical in bringing a more cohesive perspective to bear in support of country programmes in this regard.

Thirdly, planned country activities in pursuit of improving employment policy should take more explicitly into account the livelihood needs and strategies of the poorest people and communities, and how job creation and employment/livelihood strategies can ensure relevance to these needs. Broad indicators of access of those living in poverty to credit, information, and other critical employment/livelihood assets should be considered within national contexts. Major facilitative policy and legislative mechanisms that empower entrepreneurial and informal sector activities should be identified where possible. In addition, key factors should be determined which are resulting in exclusion of particular social groupings from access to markets for jobs, or markets for goods/services. These efforts should help to inform a wide swath of current efforts to develop better indicators of the relationships between poverty, livelihoods and employment.

Fourthly and finally, continued analysis of ongoing experience must provide clear guidance to UN system efforts at country level, which must in turn clearly recognize and incorporate the policy implications of the shift in thinking that acceptance of the above suggestions requires. In this regard, it is proposed that sustainable livelihoods as a concept be explored further as **an extension** of the current labour market frameworks, and not as a **replacement**, nor as a competing idea with existing employment definitions and measurement techniques. New insights yielded through a focus predominantly on sustainable livelihoods as an organizing concept should illuminate current perspectives on labour market theories and their utility for applications in practice. The paradox must be resolved between the need for more effective labour market policies on the one hand, and the observation, on the other hand, in the World Bank's recent World Development Report (1995 p. 5) that

> 'labour policies in the low and middle income countries do not affect the majority of workers who....work in the rural or urban informal sector...'

The sustainable livelihoods idea therefore, we believe, has considerable potential as an emerging concept with significance as a way of encouraging employment measurement (through establishment/household surveys) to be **much more sensitive** to activities which although actually included in the ILO definition of employment, are not usually in the mainstream of employment or labour policies. Through closer examination of these concepts, the multiple dimensions of work, their implications for environmental sustainability, and their mutuality of benefits among relevant social groupings will become clearer as they are changing not only in modern sector employment, but also in the myriad activities of the poorest urban and rural communities throughout the developing world.

1.An earlier version of this paper was presented on July 9th 1996 to the InterAgency Task Force on Employment and Sustainable Livelihoods, which was set up following the Social Summit by the UN Economic and Social Commission Administrative Committee on Coordination. The IATF unanimously endorsed the paper's recommendations.

2. Commitment 3 reads in part:

'promoting the goal of full employment as a basic priority of .. economic and social policies, and .. enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work' (underline not in original).

3. Paragraph 2 states in part:

'policies to eradicate poverty, reduce disparities and combat social exclusion require the creation of employment opportunities, and would be incomplete and ineffective without measures to eliminate discrimination and promote participation and harmonious social relationships among groups and nations...'

4. See for example International Labour Office, Surveys of Economically Active Population, Employment, Unemployment and Underemployment: an ILO Manual on Concepts and Methods. Geneva. 1992, as well as ongoing survey work, and the International Conference of Labour Statisticians. For definitions of economic activity for survey reference purposes, see also the UN System of National Accounts (revised version 1993). For summary of current measures as related to poverty measurement, see UN Division for Sustainable Development: Indicators of Sustainable Development: Methodology Sheets; prepared for the Commission on Sustainable Development by UNDPCSD 1996.

5. These included Austria, Kazakhstan, Mozambique, Lesotho and the Netherlands.

6. Paragraph 6

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29. ILO 1995 op. cit. (p. 44)

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31. Chambers R. Poverty and Livelihoods; Whose Reality Counts? Policy Paper Prepared for Copenhagen World Summit on Social Development. 1995

32. Lipton M. Paper No 1. Aims and methods. Suggested Framework for Papers. Prepared for Design Workshop on Creating Rural Livelihoods in Southern Africa Project, Capetown 1993.

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34. Singh et al. 1994 op. cit (p. 10).

35. In the view of IISD, the principles underlying sustainable livelihoods promote inter-generational equity in access to and distribution of wealth and resources, in the sharing of productive and reproductive roles, and the transfer of knowledge and skills. Sustainable livelihoods also nurture a sense of place, and connection to the local community. People are better able to adapt to and restore, rather than exploit regional ecosystems. Local investments in the communities are stimulated, and capital is more likely to be retained within the local economy. Production of goods and services is based on renewable energy and on regenerating local resource endowments while reducing intensity of energy use, eliminating over-consumption of local and global resources and assuring no net loss of biodiversity. Appropriate technology is fostered which is ecologically fitting, socially just and humane, and that enhances rather than displaces community knowledge and skills. Travel to workplaces, and distances between producers and users is minimized. Social as well as economic returns are important, and non-monetized as well as paid work is valued.

36. The ILO current labour force framework provides an objective classification of the economically active population, at a specified moment in time, into three mutually exclusive (and exhaustive) categories, the employed, the unemployed and those not in the labour force. 'Employed persons' are thus defined as all persons above the age specified for measuring the economically active population, who during a proscribed brief period were either in 'paid employment' or 'self-employment' (ILO 1992a). Because an individual is unemployed, or 'not currently active' however does

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not mean that livelihood-sustaining activities must be discontinued. Furthermore, in a single livelihood 'unit' (e.g. family) individuals may belong to more than one of these categories. The interactions, dependencies, and shifting status of such individuals, especially among the poorest communities, are critical to understanding needs as well as coping strategies, and should be central to employment and livelihood policies that purport to address poverty eradication.

37. International Labour Office. 1992. op. cit. pp. 20-21.

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